Global Crossing

December 17, 2010

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

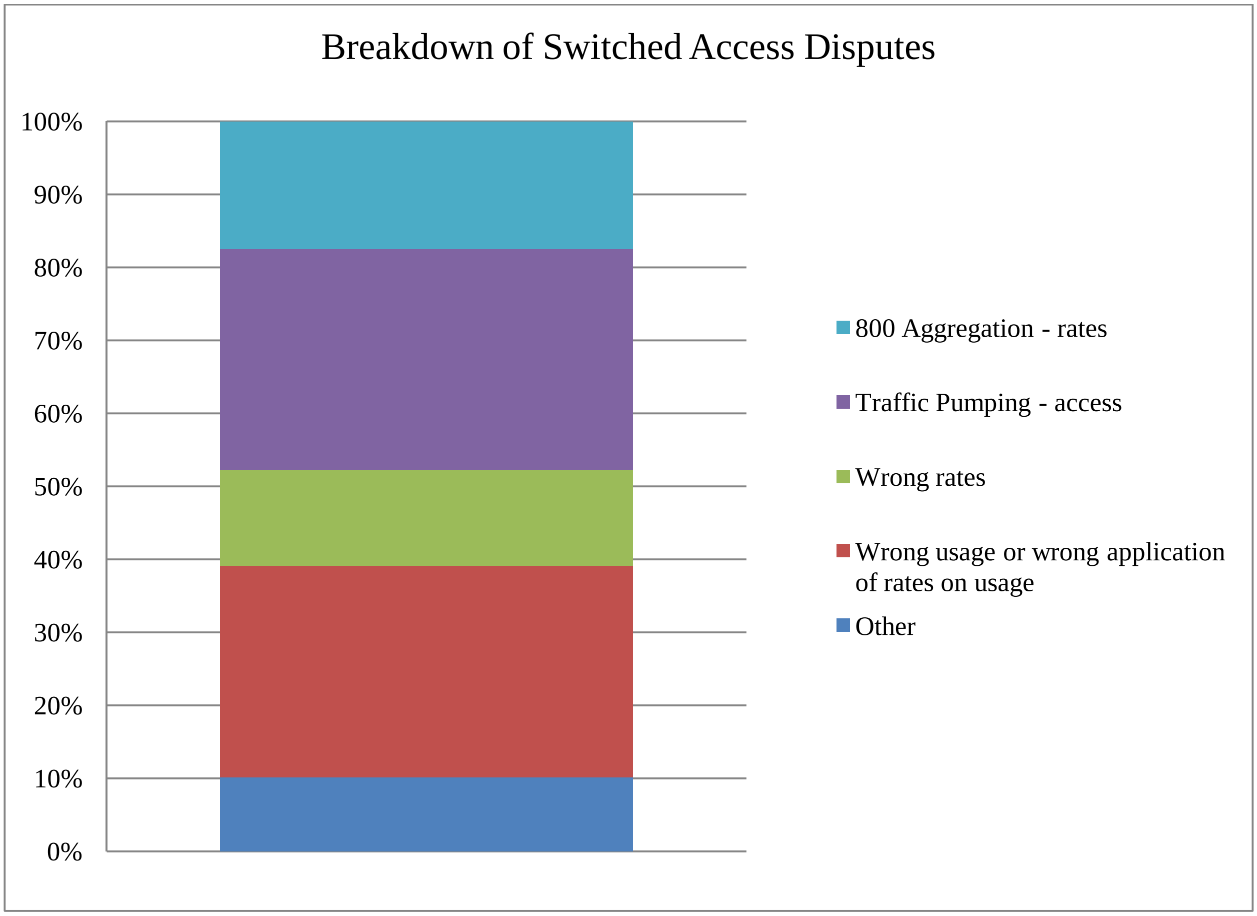
Re: Supplemental Information
Developing a Unified Intercarrier Compensation Regime, **CC Docket No. 01-92**

Dear Ms. Dortch:

This letter is a follow up to a September 29, 2010, meeting with Randy Clarke, Dan Ball, Ted Burmeister, John Hunter, and Rebekah Goodheart of the Wireline Competition Bureau to discuss potential changes to the intercarrier compensation regime. As described in the September 30, 2010 *ex parte*, Global Crossing indicated that intercarrier compensation is the source of the overwhelming majority of disputes between carriers. In support of that assertion, Global Crossing has analyzed its carrier disputes active as of September 30, 2010 and determined the following:

- In a typical month, approximately 4.5% of the total that carriers charge Global Crossing for switched access is in dispute. Assuming Global Crossing's experience is typical, in a market that is estimated to be around $10 billion nationally, that represents $450,000,000 in industry disputes annually. The nature of the disputes is captured below. As the chart indicates, aggregation (on the originating end) and traffic pumping (on the terminating end) make up an estimated fifty percent of total disputes. Although access pumping is the *largest* category, the portion we have labeled "800 aggregation" is the *fastest growing* phenomenon.[1]

[1] "800 aggregation" occurs when a CLEC establishes a business arrangement with a wireless provider or another CLEC to provide a toll free dipping function (to determine the toll-free number destination) outside of the normal tandem /end homing relationship defined in the LERG. These aggregating CLEC's accept toll-free calls originating from all over the country destined for interexchange carriers ("IXC's") for the purpose of a revenue exchange with the originating wireless provider or CLEC. The IXC's receiving access bills from the parties involved have no



- Our analysis also estimates that Global Crossing spends approximately 2,290 man-hours per month managing the inter-carrier compensation regime. Bill reconciliation and disputes constitutes approximately 750 man-hours per month. Management of the inter-carrier compensation regime through contract negotiation, routing, costing, pricing, and product support constitutes an additional 1,540 man-hours per month. Time and resources devoted to inter-carrier compensation is time and resources that cannot be devoted to customer service and network management.

At the September 29, 2010 meeting, Commission staff inquired as to the ratio of VoIP to TDM minutes on the Global Crossing network. Our analysis shows that on average roughly fifty to sixty percent of the traffic is VoIP.

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technical means to see these business relationships in call detail records (CDR's) or via other industry standard sources (LERG/NECA). This triggers time-consuming audits which involve attempts at piecing together bills to determine the accuracy of rate element application. As many as three or four additional companies may be involved in handling a single call. When a call stream relationship is finally isolated, and rate elements examined, it very often results in dispute. Unfortunately, these CLEC relationships change frequently, adding additional complexity to the process.

Finally, Global Crossing asserted that there were costs associated with the conversion of IP to TDM for handoff to carriers and that the Commission should consider requiring carriers to accept IP handoff or allow carriers to charge for protocol conversion, a practice that existed in the 1980s and early 1990s with regards to ISDN services. Global Crossing examined its costs for protocol conversion and determined at an aggregate level that Global Crossing has invested between $30,000,000 and $50,000,000 (depending on the size of the discount on the equipment) on media gateways required to perform the protocol conversion. In addition, Global Crossing incurs additional costs associated with maintaining dual protocols. These include –

1. Increased vendor management responsibilities because we must maintain separate interconnection agreements with other carriers for TDM versus IP traffic.
2. Duplicate (one for TDM and one for IP) routing tables and database updates.
3. Additional billing logic requirements for IP traffic to remain consistent with NPA-NXX billing practices associated with TDM routing.

Of course, managing to existing inter-carrier compensation requirements becomes increasingly difficult and costly in a Session Initiated Protocol ("SIP") environment. When customers are originating calls from a SIP URI (SIP:joe@company.com) how does that correspond to an originating NPA-NXX? Carriers are going to have to develop enormous databases to map email addresses to telephone numbers. The problems grow exponentially when mobility is factored in. A SIP URI may be mapped to a particular NPA-NXX, but when the customer accessing the Internet from a different location, how is the "call" rated at that point? It is ridiculous to consider that carriers should invest in such a sophisticated database and process in order to maintain an anachronistic compensation regime, especially considering that the origination of the call bears no relationship to the cost of termination.

The above information is further evidence of the costs and difficulties of maintaining an overly complex and anachronistic inter-carrier compensation regime. Global Crossing urges the Commission to rapidly transition the industry away from the current regime and towards a regime that prevents carriers from recovering their costs from other carriers.

Please contact me if you have any additional questions regarding these issues.

Sincerely,

/s/

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